

Blackford County, Indiana
2006 Pay 2007 Budget Order

An analysis of the data with the 2006 Pay 2007 Budget Order for Blackford County shows that the budgets, levies and tax rates to be approved are in compliance with Indiana statutes for all units in the County.

Blackford County has three cross-county units; Dunkirk City, Dunkirk Public Library and Jay County School Corporation. All units cross county line with Jay County. According to DLGF staff, Jay County is in the process for determining if the County should be reassessed. For this reason, all cross-county units have been excluded from this analysis. Once the assessment for Jay County is approved or a reassessment completed, it is recommended that the DLGF revisit this analysis.

According to DLGF staff, sales, assessor and auditor data are in compliance with departmental and statutory requirements.

Changes in Local Tax Levies

Tax levy increases are made up of routine increases in controlled levies, increases in tax rate controlled levies and debt service levies. Controlled levies increase based on annual growth factors or excess levy appeals. Tax rate controlled levies increase based on increases in assessed value applied to a specific tax rate (tax rates are adjusted downward to eliminate the effect of reassessment or trending).

The total net increase in tax levy for Pay 2007 on a county-wide basis was approximately \$162,000, or 1.2%. Following are the levy changes that made the most impact when looking at dollar and percentage increase or decrease over the previous year levy.

1. Blackford County unit's Jail Bond Fund levy decreased \$177,195 (-49.3%), the Cumulative Court House Fund levy decreased \$24,784 (-29.8%), and the Children Psychiatric Residential Treatment Fund levy decreased \$3,834 (-12.2%).
2. Jackson Township unit's Township Assistance Fund levy increased \$11,639, the General Fund levy decreased \$8,419 (-75.9%), and the Library (Non-Library Unit) Fund levy decreased to \$0 from \$2,934.
3. Hartford City city unit's Debt Service Fund levy increased \$120,033 (117.7%), the Polic Pension Fund levy increased \$15,231 (57%), the Fire Pension Fund levy decreased \$29,573 (-54.7%), and the Motor Vehicle Highway Fund levy decreased \$94,599 (-38%).
4. Blackford County School Corporation received a transportation excess levy appeal for \$43,080 per P.L. 2-2006.
5. Hartford City Public Library unit's Debt Service Fund levy decreased to \$0 from \$11,016.

No units in the County exceeded working maximum levies. Just under half of the units in the County did not levy to the working maximum levy; however, no units in the County levied up to less than 97% of the working maximum levy. The units that did not levy to the working maximum include Licking Township, Washington Township, Hartford City Public Library, Montpelier Public Library, Blackford County School Corporation and Shamrock Lakes Town.

Blackford County is a CAGIT county, and, in CAGIT counties, controlled levies grow at a rate higher than non-CAGIT counties. No units within the County experienced controlled levy growth that would be unexpected for a CAGIT county.

Changes in Real Property Gross Assessed Values

Real Property Gross Assessed Values increases by property class are as follows.

<u>Class</u>	<u>% Increase</u>
Agriculture	0.05%
Industrial	-0.18%
Commercial	0.13%
Residential	0.01%
Utilities	-88.30% ⁽¹⁾

(1) This percentage decrease represents a \$60,000 decrease in AV.

Changes in the proportion of Gross Assessed Value by Class can create a burden shift from one class to another. The proportion (mix) of values of real property by class (this can represent the relative tax burden by class, except that it does not include the impact of deductions or credits) is below.

<u>Class</u>	<u>2006 Ratio</u>	<u>2007 Ratio</u>
Agriculture	29.06%	29.11%
Industrial	6.49%	6.31%
Commercial	9.04%	9.17%
Residential	55.39%	55.41%
Utilities	0.01%	0.00%

As can be seen from the analysis, a minor shift from industrial and utilities to agriculture, commercial and residential occurred, with the majority of the shift going to commercial. This shift was approximately 0.19% of the total.

Change in Net Tax Rates

Changes in net tax rate by district were as follows. Due to the incomplete information available for Dunkirk City, Dunkirk Public Library and Jay County School Corporation taxing units, Dunkirk City (Shadyside) taxing district has been excluded from this analysis. The cross-county units in this district cross county lines with Jay County. According to DLGF staff, Jay County is in the process for determining if the County should be reassessed. It is recommended that the DLGF revisit this analysis once the tax rate components for Jay County have been finalized.

District	Change in NAV	Change in Gross Tax Rate	Change in Business Personal Property Net Tax Rate	Change in Real Estate and Other Personal Property Net Tax Rate	Change in Homestead Net Tax Rate
Harrison Township	1.24%	-6.94%	-6.23%	-5.11%	0.77%
Montpelier City	2.82%	-5.34%	-4.58%	-3.40%	3.57%
Jackson Township	2.47%	-7.04%	-6.32%	-5.22%	0.38%
Licking Township	1.26%	-6.74%	-5.97%	-4.89%	0.78%
Hartford City	-1.47%	-1.07%	0.16%	1.56%	9.45%
Shamrock Lakes Town	-0.55%	-5.32%	-4.41%	-3.33%	3.27%
Washington Township	1.94%	-6.98%	-6.24%	-5.15%	0.45%
Average	1.10%	-5.63%	-4.80%	-3.65%	2.67%

Downward pressure on tax rates came from increases in Assessed Value due to trending, as well as either flat or decreasing tax levies for some units.

Upward pressure on tax rates came from the increased Homestead Deduction and decreased Homestead Credit rate, as well as slight decreases in tax levies for some units. The County was an early adopter of the inventory deduction.

Assessment Status

According to DLGF staff, sales, assessor and auditor data are in compliance with departmental and statutory requirements.

The DLGF has prepared an analysis of assessed valuation change by property class based on a review of parcel data. The results of this analysis are summarized in the table below:

Property Class	Percent of Parcels with Identified Assessed Valuation Change				
	<u>Decrease</u>	<u>No Change</u>	<u>0 – 30% Increase</u>	<u>30 – 100% Increase</u>	<u>More Than Doubled</u>
Commercial	48.3%	30.5%	20.4%	0.4%	0.6%
Industrial	24.5%	62.2%	12.6%	0.0%	0.7%
Residential	6.0%	29.2%	63.0%	1.5%	0.4%
Agriculture	10.5%	45.8%	42.3%	1.2%	0.2%
Overall	10.0%	32.8%	55.4%	1.4%	0.4%

Per DLGF staff, assessment of Agriculture land was statutorily set at \$880 per acre for both Pay 2006 and Pay 2007. Because Agriculture AV is primarily land, and some improvements may be classified as Residential improvements, the percentage of unchanged Agriculture parcels is not seen as abnormal, even though the percentage is very high.